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Progress Report 2023

The Role of Japan's Diplomacy in the Middle East/Eurasia:

**Understanding the Reality of Great Power-led
Connectivity Strategies and Regional Order
Restructuring in an Era of Competition among Nations**

April 2024

Foreword

The Middle East/Eurasia, which refers to the wider Eurasian region that includes the Middle East, has seen a significant re-shuffling of intra-regional relations in recent years through the Abraham Accords, which is an agreement to normalize relations between Israel and the Arab countries (September 2020); the Second Nagorno-Karabakh War (September 2020); lifting of the Qatar blockade (January 2021); Russia's invasion of Ukraine (February 2022); normalization of diplomatic relations between Iran and Saudi Arabia (March 2023); and the Israel-Hamas conflict (October 2023). While the US influence continues to wane in the region, competition between nations is intensifying as China, Russia, and India expand their influence in the region.

Under these circumstances, Japan proposed the “Free and Open Indo-Pacific” (FOIP) concept in 2016, treating the Indo-Pacific as an international public good, with the aim of creating a rule-based order and strengthening regional connectivity. However, since the formation of the four-nation framework by Japan, the US, Australia, and India, known as the Quad, Japan has been unable to demonstrate an approach to the Middle East/Eurasia which goes beyond conventional thinking and is aligned with the changing times. Dependent on this area for its natural resource imports, Japan is reconsidering the efforts and connectivity strategies of each Middle East/Eurasia country in response to the reshuffling regional order, and is facing its own challenges regarding how it can contribute to the formation of this regional order while ensuring its own advantage.

In this backdrop, the Middle East Institute of Japan has received funding from the Ministry of Foreign Affairs, FY2023 Subsidy for the Research and Study Projects on Diplomacy and Security (Research Project), for conducting research under the project entitled, “The Role of Japan's Diplomacy in the Middle East/Eurasia: Understanding the Reality of Great Power-led Connectivity Strategies and Regional Order Restructuring in an Era of Competition among Nations.” In this paper, we provide a progress report on the first year of the project, analyze the realities of the regional order transformation in the Middle East/Eurasia from each country's perspective, and comprehensively examine the state of connectivity strategies led by great powers in the region. Each paper will explain the foreign policy trends of each country/region and the position

of the Middle East/Eurasia within them, with a focus on the unique circumstances of each case. We would like to use this to position the Middle East/Eurasia in the FOIP concept.

Middle East Institute of Japan

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1. US attitude toward an interconnected greater

Eurasia

Masaki Mizobuchi

From the Cold War period to the present day, US policy toward the Middle East has been driven primarily by three goals. The first is oil and natural gas, and the defense of the sea lanes that transport them. Oil has been the cornerstone of the global economy from the 20th century to the present day. While movements toward carbon neutrality, such as decarbonization, have accelerated in recent years in response to global warming, oil remains the main source of energy consumption.

The second goal is ensuring the security of Israel, which has a “special relationship” with the US. The US has supported Israel in various economic, military, and diplomatic aspects due to historical, religious, political, and emotional factors. Indeed, Israel’s aggressive policies toward the occupied Palestinian territories and its regional adversaries (supported by Iran) would not have been possible without the unwavering support of the US government.

The third goal is the defeat or containment of forces hostile to the US and its allies. The top priority during the Cold War was to reduce the influence of the Soviet Union. However, the primary targets shifted to Iran and Iraq (“dual containment” policy) in the 1990s, Islamic extremists (the War on Terror) after 2001, and Iran once again (“maximum pressure” policy) since 2017.

In the pursuit of these goals, the US (particularly after the end of the Cold War) has rapidly deepened its political and military involvement in the Middle East. The Clinton administration made peace in the Middle East and “dual containment” as the two pillars of its Middle East policy, concluding military alliances with the Persian Gulf states and establishing a permanent US military presence there. The Bush administration promoted the War on Terror and an active intervention policy (“Bush doctrine”) following the September 11 terrorist attacks in the US. The military invasions of Iraq and Afghanistan were conducted in this context, but the costs were too high. The Obama administration, which advocated a “break” from the previous two administrations, set its basic policy of

withdrawing from the Middle East and shifted its foreign policy focus to the Asia-Pacific, particularly after the Arab Spring in 2011 (“rebalancing” policy). The Trump administration had an incoherent Middle East policy that lacked direction. Still, despite the rapid decline of trust placed by regional countries in the US, and its biased support for Saudi Arabia and Israel disrupting the regional order, the Trump administration's achievement of the Abraham Accords can be considered a major accomplishment. The Biden administration, like the Obama administration, has continued with the policy of withdrawing from the Middle East, and placed greater emphasis on values such as democracy and human rights. However, because of this attitude, Middle Eastern countries, many of which are led by authoritarian regimes, are distancing themselves from the US.

In response to these movements, the influence of countries that compete with the US, such as China, Russia, and Iran, has rapidly expanded in the Middle East in recent years. For instance, the International North-South Transport Corridor (INSTC), which is the focus of this research project, will inevitably bring these countries closer to each other and with countries in the Middle East/Eurasia. Crucially, it may even lead to the formation of a regional economic bloc that can hinder the US. Currently, the US stance on the INSTC remains unclear. Still, its medium- to long-term geopolitical impact will require close attention.

(Masaki Mizobuchi, Associate Professor, Meijigakuin University)

2. Chinese diplomacy

Emi Mifune

The Middle East/Eurasia has experienced a simultaneous waning of US influence and an expansion of Chinese influence in recent years (*for more information related to this point, please refer to Mifune, E., “Geopolitical change in Eurasia and China”, Watanabe, H. (ed.), *Eurasian Dynamism and Japan*, Tokyo: Chuokoron-Shinsha, 2022).

During the first year of this project, I analyzed China’s diplomacy under the reshuffling of the regional order as described hereinafter.

◇ Middle East diplomacy with an eye on long-term great power competition with the US

The Central Conference on Work Relating to Foreign Affairs of the Central Committee of the Communist Party of China, which sets out the current and future foreign policy of the country for a fixed period, was held on December 27–28, 2023. At the conference, Xi Jinping, General Secretary of the Communist Party of China, announced a “new era of great power diplomacy with Chinese characteristics,” stating “the need for uniting and winning over most of the world.”

China is developing great power diplomacy from the perspective of long-term great power competition with the US. This “great power diplomacy with Chinese characteristics” refers to diplomacy that allows China, as a great power, to achieve firm protection of its own sovereignty, security, and development interests. China has stated that the current international order based on Western values is unfair to developing countries and has strived to change that order to favor China’s interests.

The greater Eurasian area is the region most strongly affected by Chinese diplomatic strategy.

◇ Recent movements related to regional reshuffling

China held the China-Arab States Summit and the China-Gulf Cooperation Council (GCC) Summit in December 2022 and 2023,

respectively, thereby pushing its relations with the Middle East to a “new level.”

Traditionally, relations between China and the Middle Eastern countries have centered on mineral resource trade. However, following the Russian invasion of Ukraine, the West has imposed numerous financial sanctions against Russia, including banning it from the Society for Worldwide Interbank Financial Telecommunications (SWIFT). This has had the effect of increasing financial and economic cooperation between China and the Middle Eastern countries, with Saudi Arabia at the center. China has also concluded currency swap agreements with countries participating in The Belt and Road Initiative. It is building a Chinese yuan settlement system. An important component of such a system is the involvement of Saudi Arabia, which has been a central participant in the petrodollar system which supports US economic hegemony. In March 2023, the Export-Import Bank of China and the National Bank of Saudi Arabia implemented the first yuan-denominated loan cooperative agreement. In November of that year, the People’s Bank of China and the Saudi Central Bank signed a currency swap agreement worth 50 billion yuan, or 26 billion riyals, which is valid for three years.

On January 1, 2024, Saudi Arabia, the United Arab Emirates (UAE), Iran, Ethiopia, and Egypt officially joined BRICS, making BRICS an entity accounting for approximately 30% of the world’s GDP and approximately 44% of the world’s crude oil production, thereby allowing China to check US economic hegemony.

◇ **China’s strategy toward the Middle East/Eurasia under the FOIP concept**

Much of the Japanese media characterizes The Belt and Road Initiative as a wide-area economic zone concept. However, this is merely one facet of The Belt and Road Initiative; rather, it is a Pax Sinica attempt to expand China’s sphere of influence using the connectivity of economic corridors as a platform. China is looking ahead to long-term great power competition and leveraging of The Belt and Road Initiative with the Middle East to strengthen cooperation in yuan payments, 5G and 6G, space, and multilateral frameworks. Moreover, The Belt and Road Initiative includes military connectivity and cooperation. The US Department of Defense has indicated that the Chinese military has plans

to establish military bases in 14 countries by 2030, including Tajikistan, Pakistan, Sri Lanka, and the UAE (please refer to my article published in the February 2023 issue of *East Asia* for information related to Southeast Asia).

Analyses of China's Middle East strategy under The Belt and Road Initiative in this project needs to proceed on the premise that such a strategy includes countermeasures for the Free and Open Indo-Pacific Strategy (FOIP).

(Emi Mifune, Professor, Komazawa University)

3. Russia seeking new external partners in the “South”

Mizuki Chuman

On February 24, 2022, Russia invaded Ukraine, creating a massive rift between Russia and Western countries. During the Cold War, the “West” was a virtual enemy of the Soviet Union in the US-Soviet conflict. However, after the collapse of the Soviet Union and particularly after the establishment of the Putin presidency in 2000, Russia improved its relations as a member of the international community, and as an external and economic partner. However, the situation completely changed with the Russian invasion of Crimea in 2014, with a complete collapse in relations between Russia and the Western countries.

Undoubtedly, Russia’s biggest partner, replacing the West, is China in the East. However, the strengthening of relations between Russia and China, and Russia’s “Turn to the East” (i.e., Asia-focused) policy began even before the invasion of Ukraine. Specifically, it started with the Yeltsin presidency, became more strategic and concrete after the Putin’s era in 2000, and became more prominent after the return of President Vladimir Putin in 2012 and the deterioration of relations with the West after the invasion of Crimea in 2014. In 2009, a direct pipeline link between Russia and China meant that it became Russia’s largest trading partner in 2010. Thereafter, the relationships between the two countries has strengthened politically, diplomatically, and economically.

In this backdrop, after its latest “special military operation,” Russia has been making new efforts to strengthen relations with countries located in the “south,” especially India, and the Middle Eastern and African countries. Oil exports, which are the backbone of Russia’s economy, have thus far been primarily destined for the West, especially Europe, with only a small amount going to Asian countries. However, with the simultaneous decline in oil exports to Europe due to sanctions against Russia, India and Turkey have emerged as new partners. For example, the amount of Russian oil exported to India in 2022 was approximately 30 million tons, approximately 15 times the amount from the previous year; that exported to Turkey was approximately 11 million tons, more than double the previous year’s amount. Additionally, as sanctions against Russia tightened, bypass trade routes through Turkey, Iran, and former Soviet Union countries such as Kazakhstan have expanded. Furthermore, Russia

seems to have much shared sympathy with Iran, which has already been subject to sanctions from the West, as “comrades” who experience the same pain. Reportedly, a factory for manufacturing Iranian-made drones is being planned in Russia (Reuters, November 13, 2023). In various speeches, President Putin has also asserted that the West is responsible for the global food crisis, and that Russia is prepared to send cheap grain to countries in Africa and other regions. These assertions may be driven by the fact that Russia is trying to expand its influence in Africa, where many countries do not traditionally support Western democracy.

Therefore, 2024 will be a very important year for Russia, which aims to strengthen relations with countries located in the “south.” Russia will also hold the chairmanship of BRICS in 2024. Moreover, six new countries wishing to become members were approved of membership in August 2023. Although Argentina, which changed its government in December 2023, decided not to join under the direction of its new president Javier Milei, Saudi Arabia, UAE, Egypt, Ethiopia, and Iran had officially joined from January 1, 2024, bringing the total number of BRICS members to 10. Some reports have indicated that nearly 30 countries are interested in becoming new members (CNN, February 4, 2024). Even if the “special military operation” ends, relations between Russia and the West will not easily improve. As such, relations with new partners in the “South,” besides China, will become an essential strategy for Russia to maintain its influence and dominance in the international community.

(Mizuki Chuman, Senior Researcher,
Japan Association for Trade with Russia & NIS)

4. India's approach to the Middle East and Eurasia as an "extended neighborhood"

Ryohei Kasai

The year 2023, which coincided with the first year of this project, was a year in which India actively undertook diplomatic activities and increased its international presence. In particular, as the G20 President, India was able to broker an agreement at the New Delhi Summit in September, and held the Voices of the Global South Summit in January and November, thereby acting as a representative for developing countries and attracting increasing attention.

Considering these circumstances, in this project, I have sought to elucidate the initiatives and aims of India's neighboring countries, which it views as its "extended neighborhood" beyond its own borders. Specifically, I have focused on India's policy toward Central Asia and its involvement in the International North-South Transport Corridor (INSTC) and India-Middle East-Europe Economic Corridor (IMEC) initiatives, clarifying the actual circumstances and background of these initiatives.

In the first half of August, I had visited Delhi and Mumbai in India, where I exchanged opinions with researchers from universities and leading think tanks in diplomacy and security. Several interviews revealed that regarding the INSTC, not only the route from Mumbai, India to Russia via Iran and the Caucasus, but also the route from Iran to Central Asia ("KTI" route connecting Kazakhstan, Turkmenistan, and Iran) is important for India in terms of accessing Central Asia. Additionally, India's participation in the Shanghai Cooperation Organization (SCO) is important in terms of increasing contact with Central Asian countries. Furthermore, India has started building more substantial relationships than those from "Connect Central Asia," which had few practical results. Meanwhile, the interviews also revealed how geopolitical changes are forcing the country to reconsider the concept of accessing Central Asia via Afghanistan from Iran's Chabahar Port, where India was also participating in the ports development and operation. This plan was foiled by the return of the Taliban regime in Afghanistan in August 2021 (Author's note:

another situation that occurred after my business trip to India was the intensification of the conflict between Israel and Hamas in Gaza in October 2023, and that the situation was no longer feasible for the development of the IMEC concept, which had been announced just a month earlier).

A December 20 study group presented a summary of these previous research results, including this business trip to India in August.

Numerous cases exist regarding improvements and infrastructure development where various geopolitical or technical issues emerge even after the announcement of a concept while trying to materialize it and where expected progress does not proceed as planned due to changes in the circumstances of the countries involved. India is no exception. Some particularly important issues are how India can manage relations with Iran in terms of access to Russia and Central Asia, and relations with Israel in the Middle East. These issues will be addressed as research topics for 2024.

(Ryohei Kasai, Visiting Associate Professor,
Center for South Asian Studies, Gifu Women's University)

5. Geopolitical significance of the restoration of relations between Iran and Azerbaijan

Hisae Nakanishi

As the Ukraine and Gaza wars simultaneously unfold, interstate relations in the Middle East/Eurasia are undergoing drastic changes. This is especially true for the Iranian-Azerbaijani relationship. Since the shooting incident at the Azerbaijani embassy in Tehran in January 2023, diplomatic relations between the two countries were completely severed for a time. However, relations have seen a dramatic recovery in the past year. What is the geopolitical significance of this change?

Notably, the same ethnic Azerbaijani people live in Iran and the Republic of Azerbaijan across the border. Therefore, a delicate risk of national integration that is inherent in the relationship between the two countries has always been present. The Azerbaijani government has provoked the Iranian government with propaganda emphasizing the ethnic unity of the two countries against the backdrop of rising nationalism since Azerbaijan won the Second Nagorno-Karabakh War in 2020. Additionally, the rapid construction of strategic airports after the war has enabled planes from Israel, which is Iran's enemy, to take off and land in Azerbaijan. In October 2022, Iran conducted military exercises near its border with Azerbaijan to demonstrate its military power. Tensions between the two countries escalated into a shooting incident at the Azerbaijani embassy in Tehran in January 2023.

The backdrop to the relationship between the two countries is the diplomacy of their neighbors Russia and Turkey. Azerbaijan is Turkey's ally, and Turkish-made unmanned aircraft contributed to Azerbaijan's military advantage. Following the Second Nagorno-Karabakh War, Azerbaijan regained nearly 80% of Karabakh and aimed to open the Zangezur railway corridor, which runs from Azerbaijan to southern Armenia along the Aras River. This corridor would connect Azerbaijan to its exclave of Nakhchivan and then on to Turkey, but would bypass Iran, putting it at a geopolitical and trade disadvantage. Furthermore, Russia was unable to sufficiently fulfill its role as a peacekeeping force in the Lachin corridor. Armenia, which relied on Russia, shifted its diplomatic course toward Europe. Taking advantage of this, Azerbaijan recovered all

remaining Karabakh territory in September 2023 in a rapid 20-hour military operation.

Thus, Turkey steadily established its presence in the South Caucasus. Although Turkish companies were responsible for the largest share of investments in Karabakh's reconstruction and development projects, Turkey also acted as an intermediary with Azerbaijan, including lobbying Armenia, which had neglected to implement the three-way agreement. Iran has been supporting Armenia and Russia in the South Caucasus since the 1990s, but was forced to make a major change in its response after the Second Nagorno-Karabakh War.

For instance, in May 2023, Iran began restoring diplomatic relations with Azerbaijan. In October 2023, Azerbaijani President Ilham Aliyev announced that the Zangezur corridor, which passes through Iran, was a more realistic and important option than passing through Armenia, thereby making a major shift toward cooperation with Iran; Iran also responded in kind. Parallely, in May 2023, Iranian President Ibrahim Raisi agreed with Russian President Vladimir Putin to build a railway between Rasht and Astara. Railway construction has been said to begin imminently. This railway constitutes an important link in the International North-South Transport Corridor (INSTC). The fact that the Zangezur corridor is becoming a corridor that includes Iran, coupled with Iran's active participation in the INSTC, suggests that both Iran and Azerbaijan have transformed into key players in the corridor. Future developments will need to be closely watched.

(Hisae Nakanishi, Professor, Doshisha University)

6. How will the Gulf countries respond to the generational change in the Middle East symbolized by the Abraham Accords?

Kenichiro Takao

The year 1979 can be seen as a turning point in modern Middle Eastern history. Iran, which was a close ally of the US in the Gulf, experienced a revolution and turned anti-American. War in the Middle East ended with Israel's victory with the signing of a peace treaty between Egypt and Israel. The Soviet Union's invasion of Afghanistan led to volunteer soldiers from the Arab countries traveling into Afghanistan. These were the beginnings of the Iranian threat theory, deteriorating situation of the Palestinian issue, and global jihad, all of which continue to the present day. As these developments progressed, the energy exporting countries of the Persian Gulf, such as Saudi Arabia, which demonstrated its influence due to the oil crisis, and the UAE, which became a hub for people, goods, and money, replaced the former Arab leaders of Egypt and Syria, and strengthened their political influence in the Middle East. Regionally as well, the Gulf Cooperation Council (GCC), which is an economic cooperative body of Gulf states, began to attract more attention than the Arab League, which is centered on Egypt.

Still, most Arab countries have long maintained a political position of not recognizing the existence of the state of Israel. Governments of each country have continued to be wary of inviting criticism, particularly among their citizens, for "betraying Palestine." Conversely, if interest in the Palestinian issue wanes among citizens, then the obstacles for establishing a relationship with Israel will also decrease. This is supported by the fact that the UAE and Bahrain, which have large young populations in the Middle East and a low proportion of nationals in their countries, established diplomatic relations with Israel in 2020. Thus, the Abraham Accords symbolize this generational change at both the regional and national levels.

The Gaza war that began in October 2023 has halted this generational change, even if only temporarily. The governments of

neighboring countries were wary that expressing solidarity with Palestine, support for which started becoming louder in their own countries, would turn into criticism of their respective regimes. Hence, they had no choice but to take a position condemning Israel, at least officially. Qatar and Kuwait, which had originally called Israel a “Zionist entity” and maintained their firm stances of not recognizing its statehood, further strengthened their tone of condemnation of Israel. Additionally, Saudi Arabia, which was said to be aiming to normalize diplomatic relations with Israel as soon as early 2024, acknowledged the freezing of relations. Moreover, in 2024, through a statement from the Saudi Ministry of Foreign Affairs, it proposed that diplomatic relations with Israel would not be normalized unless Palestinian independence as a sovereign state was achieved, conditions which were virtually impossible for Israel to accept. Meanwhile, the UAE and Bahrain, which are members of the Abraham Accords, could not blatantly criticize Israel. Bahrain recalled its ambassador stating “security reasons,” while the UAE had not yet recalled its ambassador. Both countries are thought to be waiting for the Gaza war to subside and the dust to settle.

Then, will Saudi Arabia eventually normalize diplomatic relations with Israel? Although it ultimately depends on how strictly the above conditions will be applied, from a long-term perspective, diplomatic relations are likely to normalize. This is because for Saudi Arabia, normalizing diplomatic relations with Israel could have significance beyond simply building bilateral relations or strengthening relations with the US, which is Israel’s backer. Specifically, Saudi Arabia needs a change in its relationship with Israel consistent with its current view of its domestic geography. Based on the Saudi Vision 2030, which is an economic master plan launched in 2016, the Saudi government has designated Tabuk Province in the northwest, overlooking the Red Sea and Mount Sinai, as a priority development area, demonstrated by the construction of the smart city NEOM and the hosting of the Asian Winter Olympics (2029). Hence, relations with Egypt, Jordan, and Israel, which border this region, as well as the political and economic stability of each country are important issues for Saudi Arabia that are directly linked to its own economic growth and stability. Consequently, Saudi Arabia’s current blueprint for the regional order shows that its relationship with Israel has an important role which is completely different from the traditional

framework of the situation in the Middle East, such as the Palestinian issue, and military and security ties with the US.

(Kenichiro Takao, Executive Research Fellow,
Middle East Institute of Japan)

7. How has Turkey's foreign policy and security landscape changed?

Mayu Kaneko

The political and geopolitical uncertainties caused by the Ukraine war and the Gaza crisis are likely to dominate Turkey's diplomatic issues in 2024. Turkish diplomatic sources have predicted no major changes in the situation of the Ukraine war, which continues to be in a stalemate, through 2024. This is because despite support from Western countries and launching a counter-offensive, Ukraine could only recapture a small portion of its territory and was unable to achieve the military outcomes expected not only by Ukraine but also by the West. Meanwhile, Russia also has faced difficulties in expanding its influence due to military and economic problems. Turkish intelligence sources predict that this situation should persist until the US presidential election on November 5, 2024.

Regarding the Israel-Hamas conflict, which began on October 7, 2023, Turkey responded the most harshly to Israel, and had increasingly criticized Western countries, particularly the US, for their pro-Israel stance. Brokering an immediate ceasefire in Gaza and taking steps toward a two-state solution in the Israel-Palestine conflict remain among the priorities of Turkish diplomacy.

In the initial days after the start of the conflict, Turkey took a restrained attitude, going so far as to advise Israel to exercise restraint. The Turkish government avoided criticizing Prime Minister Benjamin Netanyahu or Israel by name, instead expressing a desire to mediate for an early ceasefire. However, following the escalation of Israel's attacks on Gaza, particularly after the October 17 bombing of Al-Ahli Arab Hospital, the Turkish government hardened its stance and became increasingly critical of the Netanyahu administration. President Recep Tayyip Erdoğan referred to Israel's actions as "massacres" and condemned Prime Minister Netanyahu as a "butcher," comparing him to Hitler, while simultaneously emphasizing that Western countries such as the US and European Union, which condone Israel's actions, are the main culprits of the massacre of the Palestinian people. Meanwhile, President Erdoğan defended Hamas,

saying that “it is a political organization, not a terrorist organization,” and declared full support for Palestine. However, President Erdoğan’s words and actions have drawn strong criticism from Western countries and created more challenges for Turkey at the diplomatic level.

Under these circumstances, Turkey has been strengthening its diplomatic efforts toward an early end to the conflict in Gaza, a permanent ceasefire, and the resumption of peace negotiations. Foreign Minister Hakan Fidan, who took office in June 2023, has actively conducted diplomacy toward a ceasefire with the Organization of Islamic Cooperation (OIC) and the Arab League, advocating for the creation of a “guarantor state” system to the countries concerned, including Israel and Palestine. However, a certain degree of trust from the parties involved in the conflict is needed to establish such a system. As Turkey has been in conflict with Israel and Western countries, and harshly criticized them, it will likely prevent Turkey from becoming an effective mediator and facilitator in the future.

Meanwhile, 2023 was also a year in which relations with countries in the region improved. The earthquake in Kahramanmaraş (southeast Turkey) on February 6, 2023, which killed over 50,000 people, positively affected the normalization of Turkey-Greece and Turkey-Egypt relations, countries that have long been at odds with Turkey and are both “close yet far away.” Furthermore, the fact that the leaders of all three countries won elections in 2023 brought positive momentum to the development of bilateral relations between the countries.

President Erdoğan visited Athens in Greece on December 7, 2023, and signed the Athens Declaration, which aimed to strengthen friendly relations between the two countries and vowed to continue the process that both leaders described as “historic.” Meanwhile, regarding relations with Egypt, Turkey has been closing the distance with Egypt due to the earthquake in the southeast and the Israel-Hamas conflict, with reports that preparations in Turkey are underway for President Erdoğan to visit Cairo (Author’s note: President Erdoğan’s official visit to Egypt was realized on February 14, 2024). The two countries have severed diplomatic relations for about 10 years since President Erdoğan denounced Egyptian President Abdel Fattah el-Sisi, who took office in a military coup in 2013. The two leaders did not speak on any platform during this time, but they met for the first time in late 2022 at the opening ceremony of the FIFA World Cup, mediated by Qatar’s Emir Tamim bin Hamad Al Thani.

The international environment that surrounds Turkey is extremely fluid and complex. Under such circumstances, Turkey is likely to continue to actively engage in diplomatic efforts to secure its interests and demonstrate its presence.

(Mayu Kaneko, Secretary General/Senior Research Fellow,
Middle East Institute of Japan)

8. Situation in Gaza and energy trends in the Eastern Mediterranean

Masahide Takahashi

The deterioration of the situation in Gaza since October 2023 has seriously affected Israel's gas production activities. On October 9, due to security concerns, Israel suspended production at the Tamar gas field on its southern coast. Then, on October 10, the operation of the East Mediterranean Gas Pipeline (EMG) between Israel and Egypt was also suspended. This resulted in a gas shortage in Egypt, which has been importing Israeli gas since January 2020. The slump in Israel's gas production and challenges in undertaking transportation activities has made securing Israeli gas difficult.

Egypt had expanded its gas exports in recent years with the aim of becoming a major natural gas supply hub in the Eastern Mediterranean. Since June 2022, under a memorandum of understanding with Israel and the European Union (EU), progress was being made for plans to liquefy imported Israeli gas at an LNG facility in Egypt and exporting to EU countries by tankers. While Europe was attempting to break its energy dependence on Russia following the latter's invasion of Ukraine in February 2022, Egypt, which is located across the Mediterranean Sea, was expected to be one of the alternative procurement sources. However, Egypt was unable to procure enough Israeli gas, and thus, lost an opportunity to augment its status as a gas supplier and increase gas revenues.

Additionally, the escalating conflict between Israel and Iranian proxy forces in the context of Gaza has become an obstacle to the entire Israeli offshore gas field project. Since 2022, Israel has been developing the Karish gas field, which is located 80 km off the coast of Haifa in the north. However, in December 2023, the Islamic Resistance in Iraq, which is an Iraqi Shiite militia that views Israel as an enemy, attempted a drone attack on the gas field. In 2022, the Hezbollah also attacked the gas field. Moreover, continued attacks by Iranian proxies in the future may force the indefinite suspension of development projects. Progress is also expected to be delayed due to safety concerns regarding expansion plans for the

Tamar and Leviathan gas field surrounding the Karish gas field, and development plans for the Aphrodite gas field in Cyprus.

Furthermore, Israel's attack on Gaza has increased the armed activities of the Yemen-based Houthis. In December, the Houthis threatened to target ships with direct links to Israel or those heading to Israeli ports. Over 100 container ships were forced to detour through the Red Sea and reroute via the Cape of Good Hope in Africa after receiving warnings of the attack. The Red Sea is one of the world's most important shipping routes for oil, fuel, and consumer goods, and the Suez Canal is a major shipping artery between Asia and Europe. Hence, a Houthi attack at sea would be a major blow to global supply chains. Furthermore, the Suez Canal toll revenue is a valuable source of foreign currency income for Egypt. Consequently, the prolonged obstruction of navigation by the Houthis and a sharp decrease in the number of ships using the canal may further decrease Suez Canal revenue, and thus, exacerbate Egypt's finances.

(Masahide Takahashi, Senior Research Fellow,
Middle East Institute of Japan)

9. Diversification of Iran's Foreign Policy

Kenta Aoki

Under the Raisi administration (2021 to present), Iran has actively diversified its diplomacy and attempted to improve its surrounding circumstances. Meanwhile, the Rouhani administration (2013-2021) pursued a path of international cooperation aimed at lifting economic sanctions through dialogue with Europe and the US. This path culminated in the Joint Comprehensive Plan of Action (JCPOA) on nuclear development in 2015. However, the Trump administration (2017-2021) drastically changed the circumstances surrounding Iran. Specifically, the Trump administration unilaterally withdrew from the JCPOA in May 2018 while simultaneously applying “maximum pressure” on Iran. This resulted in the failure of the Rouhani administration's entreaty-based diplomacy.

By comparison, the Raisi administration focused its energy on foreign policy with the determination of not repeating the Rouhani administration's mistakes. Of course, the Raisi administration did not have an easy start, with the outbreak of demonstrations throughout the country against the compulsory wearing of the hijab, which began in September 2022. Consequently, Iran was viewed harshly by other countries. Additionally, Russia's invasion of Ukraine (February 2022) resulted in a harsher Western response to Iran, since the drones used by Russia were claimed to be Iranian made. On the regional front as well, Iran's increase in uranium enrichment levels (said to be as high as 84% at one point) as a countermeasure against the US has resulted in heightened tensions with Israel. Overall, one reasonably claim that Iran was beset by all sides at the beginning of 2023.

Under such circumstances, the Raisi administration advocated a “balanced foreign policy.” In March 2023, through Chinese mediation, it restored diplomatic relations with Saudi Arabia for the first time in seven years. In July 2023, Iran announced that it would officially join the Shanghai Cooperation Organization (SCO). Further, in August 2023, Iran announced that it would join BRICS from January 2024, showcasing the prominent diversification of Iran's foreign policy. However, Hamas' large-scale attack on Israel in October 2023 stalled efforts to ease tensions in the region, while also unexpectedly working in Iran's favor. With the

“oppressor-oppressed” structure emphasize by the Iranian regime coming to the fore, the regime's criticism within Iran has subsided, resulting in tailwinds for its foreign policy. In other words, Iran now plays a major role both implicitly and explicitly as a key player in the reshuffling of regional relations.

In line with the reassessment of Iran’s regional relations is its active efforts toward developing the International North-South Transport Corridor (INSTC). Although it was announced in the early 2000s, it lacked political momentum and little substantive progress had been made to date. However, under Western sanctions, Russia now views the Middle East as an important partner. Meanwhile, India has emphasized its connectivity with the Middle East and Central Asia. Consequently, efforts toward the practical application of the INSTC have sharply increased. Furthermore, the situation in the Red Sea has become increasingly tense due to sabotage activities by Ansar Allah (commonly known as the Houthis), who are hostile to Israel. Many shipping companies are switching to shipping via the Cape of Good Hope. This has added further value to the INSTC.

In response to the strategic retreat of the US from the Middle East in recent years, countries in the Middle East/Eurasia are diversifying their diplomacy as part of their risk-hedging strategies, with the rise of China, Russia, and India becoming particularly prominent. Under such circumstances, the reshuffling of relations among regional powers may continue in the future. Yet, many specific aspects of this reshuffling remain unclear. An urgent task from both practical and research perspectives is to clarify the actual circumstances, and the relationship between these movements and the “Free and Open Indo-Pacific” (FOIP) initiative promoted by Japan.

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